IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX REFERENCE NO.165 OF 1999

The Commissioner of Income Tax
Kolhapur .. Applicant.

V/s.

The Krishna Sah. Bank Ltd., .. Respondent.

Mr.Ashok Kotangale with Mr.Parag Vyas
for the applicant.

Mr.Pramod Vaidya i/b. S.N. Inamdar
for the respondent.

CORAM : V.C. DAGA &
J.P. DEVADHAR, JJ.

DATED : 24TH OCTOBER, 2005.

P.C. :

1. Heard the learned counsel for the parties. The Tribunal has referred following questions for the opinion of this Court, reading as under :

> Whether on the facts and in the circumstances of the case the Tribunal was right in law in holding that the interest earned on the deposits on Indira Vikas Patra and Kisan Vikas Patra at the instance of State Government is income from banking activities and, therefore, assess is entitled to exemption u/s.80P of the Income-tax Act, 1961 ?

2. The issue sought to be raised in this reference is squarely covered by the decision of this Court in the case of **CIT V/s. Ratnagiri District**

Central Co-op. Bank ltd. & Others [(2002) 254 ITR 697 (Bom)] in favour of the assessee and against the revenue.

3. The reference is disposed of in the above terms with no order as to costs.

(V.C. DAGA, J.)

(J.P. DEVADHAR, J.)